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DPD-1501-59
Copy 2 of 8

6 March 1959

MEMORANDUM FOR : Deputy Director (Plans)
SUBJECT : Weekly Contract Report

1. Pursuant to your request, attached is Report No. 2 covering contractual documents executed during the period 27 February through 6 March 1959.

25X1A 2. [REDACTED] have been contacted concerning developments in their areas of interest which might have an effect on the Projection Report in future months. The following represents our combined thoughts:

a. QUINTO - The overrun in connection with Wind Tunnel Test Models reported last week appears to be a misunderstanding. A cable from CONVAIR (cite [REDACTED]) indicates this is an authorized increase in scope on which additional fee is requested. However, rather than initiating a Supplemental Program Approval at this time, it is planned to wait a little while since there is a possibility that the increase can be absorbed by funds already on the contract if there are underruns in other areas.

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25X1A b. CONONA - The overrun of [REDACTED] mentioned in last week's report is definitely with us. [REDACTED] and [REDACTED] have submitted a report on this matter to you. [REDACTED] has written a Supplemental Program Approval and the DCI has approved the increase of [REDACTED] subject to approval of the Budget Bureau. This same Program Approval mentioned a possible additional [REDACTED] increase which could be funded from Fiscal Year 1960 funds if the overrun materialized.

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25X1A c. CHALICE

25X1A (1) [REDACTED] has received firm estimates from LAC on the J-75 installation in 4 articles. Total estimated cost including IRAN, Installation, Flight Testing and necessary Spares is [REDACTED]. A Program Approval is being initiated today by [REDACTED] for this work.

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25X1A (2) A cable has been received from Perkin-Elmer (cite [REDACTED]) which indicates they anticipate an expenditure of \$35,000 over and above the present amount of \$35,000 obligated on their Repair and Overhaul contract. They report having

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spent \$33,000 through January 31, 1959. They report costs have increased due to increase in parts sent back for repair and also the charging of the TWX installation and monthly rental to this contract. Action will be taken with Chief, Materiel, to determine reasonableness of this estimate.

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[REDACTED]
Contracting Officer, DFD

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DPD-DD/P [REDACTED] :pf

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